

Examples of Health Care Contribution Reporting

Note: All calculations are based on the 13 weeks in a calendar quarter.

Examples of employers who do not offer to pay a portion of health care coverage:

Situation 1: Employer has 7 employees. Reporting: Since the employer does not have more than 8 employees, no reporting is required at this time. However, when exemption reduces to 6 on July 1, 2008, reporting will be required.

Situation 2: Employer has 12 employees. 6 work 40 hours per week, 4 work 25 hours per week, and 2 work 20 hours per week. Reporting: Since the employer does not offer to pay a portion of coverage, all employees are considered as uncovered.

ü Total of FTEs is calculated as follows:

(6) Full time employees = 3,120 hours (6 employees x 40 hours x 13 wks)

(4) 25 hour employees = 1,300 hours (4 employees x 25 hours x 13 wks)

(2) Half time employees = 520 hours (2 employees x 20 hours x 13 wks)

Total hours of uncovered employees = 4,940

ü Divide "hours of uncovered employees" by 520 ($4,940 / 520 = 9.5$; round down = 9 uncovered FTEs.

ü Subtract 8 (number of exempt FTEs) = 1 FTE x \$91.25 contribution rate per FTE

ü Total quarterly contribution of \$91.25.

Situation 3: Employer has 10 employees. All employees are paid a salary, based on a 45-hour week. 6 of the 10 employees have health care plans from other sources. Reporting: Since the employer does not offer to pay a portion of coverage, all employees are considered as uncovered, regardless of the fact that 6 employees have health care coverage elsewhere.

ü Total of FTEs is calculated as follows:

1 Employee = 45 hours x 13 weeks = 585 hours.

However, given 520 is the maximum hours reportable per employee, per quarter, 585 hours would be capped at 520. Therefore, reporting would be:

10 employees x 520 = 5,200 hours.

Total hours of uncovered employees = 5,200

ü Divide "hours of uncovered employees" by 520 ($5,200 / 520 = 10$ uncovered FTEs.

ü Subtract 8 (number of exempt FTEs) = 2 FTE x \$91.25 contribution rate per FTE

ü Total quarterly contribution of \$182.50.

Examples of employers who do offer to pay a portion of health care coverage:

Situation 4: Employer has 20 employees. 5 are salaried, based on a 50 hour week. 10 are full time and 5 are half time. The employer's plan is available to all employees, regardless of hours. 1 salaried, 2 full time and 2 half time employees are covered by the employer's plan. 2 salaried and 1 half time employees are covered by their spouses' plans and the employer has received declarations of coverage from all 3.

Reporting: Uncovered employees are 2 salaried employee, 8 full time employees, and 2 half time employees.

ü Total of FTEs is calculated as follows:

1 Salaried Employee = 50 hours x 13 weeks = 650 hours.

However, given 520 is the maximum hours reportable per employee, per quarter, 650 hours would be capped at 520. Therefore, reporting would be:

(2) Salaried employees = 1,040 (2 employees x 520 hours)

(8) Full time employees = 4,160 (8 employees x 40 hours x 13 wks)

(2) Half time employees = 520 (2 employees x 20 hours x 13 wks)

Total hours of uncovered employees = 5720

ü Divide "hours of uncovered employees" by 520 (5,720 / 520) = 11 uncovered FTEs

ü Subtract 8 (number of exempt FTEs) = 3 FTEs x \$91.25 contribution rate per FTE

ü Total quarterly contribution of \$273.75.

Situation 5: Employer has 15 regular full time employees, who work 40 hours a week, for which the employer offer to pay a portion of a health care plan. During the business's peak season, they hire several employees who are expected to work 18 weeks; the employer does not offer any health care coverage to any of its seasonal employees. All but 5 of the regular full time employees are enrolled in the employer's plan. On the Declaration of Coverage forms the employer gave the remaining 5 full time employees, 1 indicated other coverage and the remaining 4 declared no coverage. Reporting: Without consideration to peak season employees, the employer would have only 4 uncovered full time employees. Given FTE count is below exemption, reporting would be "zero" in both fields on the C-101 form. However, reporting responsibility will change during peak season, given the following increase in staffing. During the 2nd quarter employer hires 20 seasonal employees who all work 40 hours a week, beginning with the first week in the quarter; all seasonal employees will be required to complete Declaration of Coverage forms. 10 of the seasonal employees certify coverage under another plan; 5 declare no coverage; and the other 5 seasonal employees declare coverage with VHAP or Medicaid. Reporting for 2nd quarter (first quarter of peak season): Uncovered employees are 4 full time employees and 10 seasonal employees who either have no coverage or have VHAP or Medicaid.

ü Total of FTEs is calculated as follows:

14 Employees = 40 hours x 13 weeks = 7,280 hours.

Total hours of uncovered employees = 7,280

ü Divide "hours of uncovered employees" by 520 (7,280 / 520) = 14 uncovered FTEs.

ü Subtract 8 (number of exempt FTEs) = 6 FTE x \$91.25 contribution rate per FTE

ü Total quarterly contribution of \$547.50.

(Reporting for 3rd quarter for this situation on next page)

Same situational facts as Situation 5, except seasonal employees end up working the ENTIRE 3rd quarter, which results in all of them exceeding the 20 week limit during a calendar year. This will result in ALL seasonal employees being treated as "uncovered" during the 3rd quarter reporting, as the employer does not offer to pay a portion of a health care plan to its seasonal employees.

ü Total of FTEs is calculated as follows:

24 Employees = 40 hours x 13 weeks = 12,480 hours.

Total hours of uncovered employees = 12,480

ü Divide "hours of uncovered employees" by 520 ($12,480 / 520$) = 24 uncovered FTEs.

ü Subtract 8 (number of exempt FTEs) = 16 FTE x \$91.25 contribution rate per FTE

ü Total quarterly contribution of \$1,460.00.

NOTE: No adjustment would be made to the 2nd quarter report.